

37 Am. Jur. 2d Fraud and Deceit § 193

American Jurisprudence, Second Edition | May 2021 Update

Fraud and Deceit

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IV. False Representations

G. Representations and Statements as to Particular Matters

4. Credit, Solvency, and Financial Standing

§ 193. Representations as to obtaining loan, or loan commitment, on property

[Topic Summary](#) | [Correlation Table](#) | [References](#)

West's Key Number Digest

West's Key Number Digest, [Fraud](#)  27, 28

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[Misrepresentation as to loan commitment on real estate as ground of action, counterclaim, or rescission by vendee, 14 A.L.R.2d 1347](#)

Although, generally, a statement that a loan can be obtained on property amounts to a mere expression of opinion that is not actionable as a fraudulent representation,¹ such a statement may be actionable where it is expressed as a fact.² A distinction has been made between cases in which the vendor of real property falsely represented that a loan commitment of a specified sum had been made on the property, and cases in which the vendor falsely represented that a loan of a specified sum could be obtained thereon, and in the former cases, the false representation is considered material and actionable³ whereas in the latter cases, the false representation is considered promissory in nature and not actionable in the absence of special circumstances.⁴

A bank may be held liable in fraud on account of a failure to make a loan in accordance with an employee's representations where the representation is not one that the loan will be made but that the loan has already been secured.⁵ However, the lender may not be liable where it merely stated that it would consider an application for a new loan.⁶

Footnotes

- 1 Weinstein v. Arlington Oaks, Inc., 286 A.D. 1102, 145 N.Y.S.2d 691 (2d Dep't 1955).
- 2 Shaffer v. Rhyne, 75 S.W.2d 133 (Tex. Civ. App. Waco 1934).
- 3 Gable v. Niles Holding Co., 209 Minn. 445, 296 N.W. 525 (1941); Weinstein v. Arlington Oaks, Inc., 286 A.D. 1102, 145 N.Y.S.2d 691 (2d Dep't 1955).
- 4 Edwards v. French, 304 Mo. 194, 263 S.W. 132 (1924); Hazlett v. Wilkin, 42 Okla. 20, 140 P. 410 (1914).
- 5 Colonial Nat. Bank v. Bredenkamp, 151 Ind. App. 366, 279 N.E.2d 845 (1972).
- 6 Guaranty Bank of Mamou v. Fontenot, 551 So. 2d 804 (La. Ct. App. 3d Cir. 1989).

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